



**U. S. Department of Justice**

United States Attorney  
Northern District of Illinois

Patrick J. Fitzgerald  
United States Attorney

Federal Building  
219 South Dearborn Street, Fifth Floor  
Chicago, Illinois 60604  
(312) 353-5300

FOR IMMEDIATE RELEASE  
FRIDAY DECEMBER 7, 2007  
[www.usdoj.gov/usao/iln](http://www.usdoj.gov/usao/iln)

PRESS CONTACTS:  
AUSA Laurie Barsella (312)353-6069  
AUSA/PIO Randall Samborn (312)353-5318

**TWO FORMER BOLINGBROOK OFFICIALS AND FIVE SMALL BUSINESS OWNERS CHARGED IN ALLEGED \$400,000 FRAUDULENT BILLING SCHEME**

CHICAGO – Two former Public Works Department officials in the Village of Bolingbrook and five owners of four small businesses were charged today with allegedly engaging in a \$400,000 fraud scheme in which the public employees obtained cash, gifts and services in return for approving false and inflated invoices to the village from the businesses. The seven defendants were charged in a 12-count criminal information charging fraud and federal income tax offenses, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division.

The charges resulted from an investigation that was begun by the Bolingbrook Police Department and the Will County State's Attorney's Office, both of which later brought the investigation to the federal agencies, the federal officials said.

The two former village officials served consecutively as superintendent of the Building and Fleet Division in Bolingbrook's Public Works Department. **Donald Ralls**, 62, of Aurora, was superintendent for approximately a decade until he retired in 2001, and **John Schwab**, 43, of

Sandwich, was acting superintendent or superintendent from 2001 to March 2006. Both men had authority in their official capacities to approve invoices for purchases made by the Building and Fleet Division for payment by the village.

According to the charges, between the late 1990s and April 2006, the defendants defrauded Bolingbrook of money and property and of Ralls' and Schwab's honest services. Ralls and Schwab allegedly asked certain business owners who did business with the village to give them items, money, gifts and services for their personal benefit. The business owners acceded to the requests and, at times, either included these personal items, added fictitious purchases or inflated prices in invoices they submitted for payment by the village, which allowed them to recoup the cost of the corrupt benefits and also to gain additional, unearned money for themselves and their businesses, the charges state. Ralls and Schwab allegedly knew that they were approving false and inflated invoices from the businesses.

Schwab was charged with two counts of mail fraud and three counts of filing false federal income tax returns for allegedly under-reporting his total income in 2003, 2004 and 2005. Ralls was charged with two counts of filing false tax returns for allegedly under-reporting his income in 2000 and 2001.

**Alan Guzzino**, 59, of Bolingbrook, at the time an owner of South Harlem Auto Supply, Inc., which sold parts and supplies for trucks and autos, was charged with one count of mail fraud. He allegedly made personal purchases for Ralls and Schwab; allowed them to use his business credit card for personal purchases, including personal vacations and airline tickets; provided them with merchandise from his business; and occasionally gave each of them cash. Guzzino also allegedly kept about 25 to 35 percent of the funds he received from false and inflated invoices paid by

Bolingbrook and put about 65 to 75 percent of the proceeds in a “line of credit” for Ralls and Schwab, which Guzzino used to provide them with cash and other benefits.

**David Donaldson**, 54, of Hanover Park, at the time owner of Merchant Midwest, Inc., which distributed cleaning supplies and other janitorial and paper products, was charged with one count of mail fraud. He allegedly gave Ralls and Schwab merchandise for their personal use; made personal purchases for Ralls; and paid cash to Schwab. He allegedly kept about 60 percent of the funds he received from fraudulent village payments for himself.

**Gary Lindesmith**, 48, of Lowell, Ind., at the time owner of Lindco Equipment Sales, Inc., which sold equipment for trucks, was charged with one count of wire fraud. He allegedly gave Schwab merchandise for his personal use and paid for meals and entertainment for Schwab. He allegedly obtained fraudulent payments from Bolingbrook based on false and inflated invoices he created to cover the cost of the merchandise and entertainment, and also to cover the cost of financial contributions to political campaigns and charities that were solicited by village officials.

**Murteza Gazaferi**, 37, of Lemont, and **Ahmet Rusid**, 57, of Morris, at the time co-owners of Auto Tech & Tire Complete Auto Service, which repaired autos and sold auto parts, were each charged with two counts of mail fraud. They allegedly performed automotive maintenance service at no cost for Schwab and made cash payments to him. They allegedly kept about 80 percent of the fraudulent payments they received from the village for themselves.

The charges also seek forfeiture of \$404,000 from six defendants, excluding Ralls. All seven defendants will be ordered to appear later for arraignment in U.S. District Court.

The government is being represented by Assistant U.S. Attorneys Laurie Barsella and Faris Hussein.

If convicted, each count of mail or wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine. The tax fraud counts against Schwab and Ralls each carry a maximum penalty of 3 years in prison and \$250,000 fine. The Court may impose an alternative maximum fine of twice the gross loss or gross gain, whichever is greater. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an information contains only allegations and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

# # # #